ESTTA Tracking number: **ESTTA661029**

Filing date: **03/13/2015**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

| | |
|---|---|
| Proceeding | 91220407 |
| Party | Plaintiff<br>Nasty Pig, Inc. |
| Correspondence Address | Joel Karni Schmidt<br>Cowan, Liebowitz & Latman, P.C.<br>1133 Avenue of the Americas<br>New York, NY 10036<br>UNITED STATES<br>jks@cll.com, spc@cll.com, mxe@cll.com, trademark@cll.com |
| Submission | Opposition/Response to Motion |
| Filer's Name | Scott P. Ceresia |
| Filer's e-mail | spc@cll.com, jks@cll.com, mxe@cll.com |
| Signature | /Scott P. Ceresia/ |
| Date | 03/13/2015 |
| Attachments | RAUNCHY PIG - Opposition to Motion to Strike.pdf(27324 bytes ) |

Docket No. 25048.005 TRADEMARK

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**
**BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of Application Serial No. 86/280,433
Filed: May 14, 2014
For Mark: RAUNCHY PIG
Published in the Official Gazette of October 7, 2014

| | | |
|---|---|---|
| NASTY PIG, INC., Opposer, | : | Opposition No. 91220407 |
| v. | : | |
| FITUMI, LLC, Applicant. | : | |

**OPPOSER'S MEMORANDUM OF LAW IN OPPOSITION**
**TO APPLICANT'S MOTION TO STRIKE PURSUANT TO FRE 408**

Opposer Nasty Pig, Inc. ("Opposer") respectfully submits this memorandum of law in opposition to Applicant Fitumi, LLC's ("Fitumi") motion, pursuant to Fed. R. Evid. 408, to strike paragraphs 13-14 and Exhibit B to the Notice of Opposition filed against Fitumi's application for the mark RAUNCHY PIG (the "RAUNCHY PIG Application"). For the reasons set forth below, Fitumi's motion to strike is both procedurally improper and substantively deficient.

First, as a matter of procedure, Fitumi has indisputably failed to timely file an Answer by the Board-imposed deadline, March 9, 2015. Fitumi instead seeks to file the instant motion to strike in lieu of an Answer. However, there is no authority (and Fitumi cites none) that permits a party to forego the filing of an Answer due to a pending motion to strike. The Board should thus hold Fitumi in default, or, at a minimum, order that Fitumi file an Answer forthwith.

With respect to the motion to strike, the material at issue pertains to a letter sent by Fitumi in May 2014 in response to a demand letter sent by Opposer regarding Applicant Janoskians, LLC's ("Janoskians") application for the mark DIRTY PIG (the "DIRTY PIG Application") that is currently the subject of Opposition No. 91217154.[1] Contrary to Fitumi's bare assertion, Opposer's submission of this material fully complies with FRE 408.

As a threshold matter, Fitumi's May 2014 letter cannot credibly be considered an offer to compromise or settle a claim as necessary to fall within the ambit of FRE 408. Fitumi's letter simply disputes Opposer's claim of likelihood of confusion, states that it "absolutely will not comply" with Opposer's demands, and is otherwise devoid of any settlement offer.

Moreover, even if Fitumi's letter could be construed as a settlement communication, FRE 408 is not "absolute" as Fitumi contends but rather only bars the introduction of settlement communications for the purpose of proving "the validity or amount" of a disputed claim. In this case, Opposer cited to Fitumi's letter for limited factual purposes unrelated to proving liability on any claim for likelihood of confusion that was the subject of the correspondence. Rather, Opposer introduced the material solely to establish the fact that applicants Fitumi and Janoskians are closely affiliated companies and that the RAUNCHY PIG Application is a sham application filed by Fitumi the day after it sent the May 13, 2014 letter regarding the DIRTY PIG Application in which it categorically refused to comply with Opposer's demands. These facts clearly bear on issues involved in this proceeding, namely whether Fitumi had a bona fide intent to use the RAUNCHY PIG mark in commerce at the time it filed the subject application.

For the foregoing reasons, Fitumi's motion to strike should be denied in its entirety.

[1] Opposer's motion to consolidate the instant opposition with Opposition No. 91217154 (Dkt. 4) remains pending before the Board.

## STATEMENT OF FACTS

Since at least as early as 1995, Opposer has engaged in the marketing, sale and distribution of clothing, jewelry, leather goods, and other goods and accessories bearing the NASTY PIG name and mark ("Opposer's NASTY PIG Mark"), as well as the provision of retail store services and computerized online retail services in these fields. Not. Opp. ¶ 1. Opposer is the owner of U.S. Registration No. 2,800,386 and Application Ser. No. 86/114,145 for Opposer's NASTY PIG Mark for various goods and services in Classes 14, 18, 24, 25 and 35. *Id.* ¶ 2.

On April 21, 2014, Opposer sent a demand letter to the attorneys of record for Application Serial No. 86/085,785 for the standard character word mark DIRTY PIG for various Class 25 goods ("the DIRTY PIG Application"), which had recently been published for opposition. *Id.* ¶ 12 & Ex. A. Although the record owner of the DIRTY PIG Application is Janoskians, on or about May 13, 2014, Opposer received a written response to its demand letter from Chris Swanson who described himself as the "Managing Member" of Fitumi. *Id.* ¶ 13 & Ex. B. In the May 13, 2014 letter, Mr. Swanson identified Fitumi as "the company responsible for sales and distribution of the Brand Dirty Pig," and stated its refusal to comply with the terms set forth in Opposer's demand letter regarding the DIRTY PIG Application. *Id.* ¶ 14 & Ex. B.

Upon information and belief, on May 13 and 14, 2014 – on or about the time Fitumi sent its May 13, 2014 letter to Opposer – Mr. Swanson filed three Section 1(b) trademark applications on behalf of Fitumi all containing the terms "NASTY" and/or "PIG," including the RAUNCHY PIG Application (collectively, the "Fitumi Applications"). *Id.* ¶ 15.[2] Upon

[2] The other two applications filed by Fitumi on those dates were Application Serial No. 86/280,431 for the mark SEXY NASTY PIG and Application Serial No. 86/280,435 for the mark SEXY GAY NASTY. The USPTO has since issued an Office Action refusing to register the application for the mark SEXY NASTY PIG on the basis of Opposer's prior registration.

information and belief, the Fitumi Applications, including the RAUNCHY PIG Application, were filed in bad faith in order to retaliate against Opposer and to otherwise gain leverage in the parties' core dispute regarding the DIRTY PIG Application. *Id.* ¶ 16.

On January 28, 2015, after the RAUNCHY PIG Application was published for opposition, Opposer instituted the instant opposition. (Dkt. 1). Fitumi's Answer deadline in the instant opposition was March 9, 2015. (Dkt. 2).

Opposer's Notice of Opposition asserts that the mark RAUNCHY PIG is likely to cause confusion with the goods sold and services rendered in connection with Opposer's NASTY PIG Mark, including, without limitation, on the grounds that (1) the Class 25 goods subject to the RAUNCHY PIG Application are closely related and/or identical to Opposer's goods and services rendered in connection with Opposer's NASTY PIG Mark; and (2) the mark RAUNCHY PIG is comprised of the identical term "PIG" and a first term – "RAUNCHY" – which carries a connotation that is extremely similar, if not identical, to the term "NASTY" prominently featured in Opposer's NASTY PIG Mark such that the overall commercial impression of the applied-for mark is strikingly similar to Opposer's NASTY PIG Mark. *See* Not. Opp. ¶¶ 1-11.

Most pertinent for purposes of this motion, Opposer's Notice of Opposition also asserts a claim for lack of bona fide intent based upon the fact that Fitumi, the company responsible for the sale and distribution of the DIRTY PIG goods, filed the Section 1(b) RAUNCHY PIG Application only after it had received Opposer's demand letter regarding the DIRTY PIG Application as a means to retaliate and attempt to gain leverage against Opposer in the parties' existing dispute concerning the DIRTY PIG mark. *See* Not. Opp. ¶¶ 12-17.

Fitumi's instant motion seeks to strike Exhibit B to the Notice of Opposition (Fitumi's May 13, 2014 letter) and Paragraphs 13-14 thereto pertaining to that letter.

## ARGUMENT

## APPLICANT SHOULD BE HELD IN DEFAULT FOR ITS FAILURE TO ANSWER

As an initial matter, it is beyond dispute that Fitumi has failed to timely file an Answer by the deadline imposed by the Board, March 9, 2015. (Dkt. 2).

In its motion, Fitumi seeks to justify its failure to Answer by requesting that its Answer deadline be "extended" pending disposition of the instant motion. However, there is absolutely no authority (and Fitumi has cited none) that permits a party to disregard a Board-set deadline and prospectively request an extension of a deadline already passed. On the contrary, TBMP § 506.02 instructs that where a responsive pleading is required, any motion to strike is to be accompanied by that responsive pleading. See TBMP § 506.02 ("A motion to strike matter from a pleading should be filed within the time for, and before, the moving party's responsive pleading. If a motion to strike matter from a complaint *is filed with an answer to the complaint,* the motion to strike is construed by the Board as having been filed first") (emphasis added) (citations omitted). In other words, filing a motion to strike does not relieve an applicant of its obligation to file a responsive pleading.

Pursuant to 37 C.F.R. § 2.106(a), "[i]f no answer is filed within the time set, the opposition may be decided as in case of default." Accordingly, in the absence of any legal justification for its failure to file a timely Answer by the deadline, Fitumi should be adjudged in default. At a minimum, the Board should order Fitumi to file a responsive pleading forthwith.

## APPLICANT'S MOTION TO STRIKE SHOULD BE DENIED IN ITS ENTIRETY

Under Board precedent, "[Rule 12(f)] motions to strike are not favored, and matter will not be stricken *unless it clearly has no bearing upon the issues in the case*." Guardian Royalty LLC v. Guardian Protection Devices, Inc., Cancellation No. 25,621, 2000 TTAB LEXIS 855, at *8 (T.T.A.B. Nov. 30, 2000) (emphasis added).

Because the material at issue has a clear bearing upon the issues involved in this proceeding (namely, Opposer's claim for lack of bona fide intent), this alone is sufficient to withstand Fitumi's motion to strike. Moreover, the claim that Opposer's citation to Fitumi's May 2014 letter violated FRE 408 – the sole basis upon which Fitumi brings the instant motion – is meritless and is based upon a misreading of the rule.

### I. Fitumi's May 2014 Letter is Not a Settlement Communication Within the Scope of FRE 408

As a threshold matter, Fitumi's May 2014 letter does not even constitute an offer to compromise or settle a claim as required to fall within the scope of FRE 408.

Federal Rule of Evidence 408 provides in relevant part:

> **(a) Prohibited Uses.** Evidence of the following is not admissible — on behalf of any party — either to prove or disprove the validity or amount of a disputed claim or to impeach by a prior inconsistent statement or a contradiction:
>
> > **(1)** ***furnishing, promising, or offering*** — or accepting, promising to accept, or offering to accept — ***a valuable consideration in compromising or attempting to compromise the claim***; and
> >
> > **(2)** conduct or a statement made during compromise negotiations about the claim — except when offered in a criminal case and when the negotiations related to a claim by a public office in the exercise of its regulatory, investigative, or enforcement authority.

Fed. R. Evid. 408 (emphasis added).

Fitumi's letter, which was sent in response to Opposer's demand letter concerning the DIRTY PIG Application, does not offer any "valuable consideration" in attempting to settle a claim. On the contrary, Fitumi's letter simply disputes Opposer's claim of likelihood of confusion and states categorically that, "[w]e absolutely will not comply with any of the demands in your attorney's letter"; that "[w]e also have very competent attorneys who are prepared to defend against any opposition"; and that "[w]e are prepared to spend as much time and money as necessary to protect our brand." *See* Not. Opp., Ex. B. Under no objective view can Fitumi's letter be construed as communicating an offer to settle or compromise a claim. See Latorraca v. Centennial Techs. Inc., 583 F. Supp. 2d 208, 213 (D. Mass. 2008) ("letters whose contents offer no concessions do not meet the definition of 'compromise' and thus are outside the scope of Rule 408") (citing Rodriguez-Garcia v. Municipality of Caguas, 495 F.3d 1, 12 (1st Cir. 2007)).

Contrary to Fitumi's contention, Mr. Swanson's vague, offhand request at the end of the letter "to work something out" does not transform a letter devoid of any settlement offer into a settlement communication within the meaning of FRE 408. In fact, Fitumi's description of the letter as a mere "invitation" to discuss settlement (Mot. at 2), is an admission that no settlement discussions had yet taken place. Accordingly, this correspondence was outside the ambit of FRE 408. See Latorraca, 583 F. Supp. 2d at 213 (letter that included statement "I suggest that we talk further to discuss how to bring this matter to a conclusion" held outside the scope of FRE 408 since, "[t]hat statement suggests settlement discussions had not yet begun at the time of the [] letter but that [the party] was then interested in initiating such discussions").

Because Fitumi's letter does not even come within the scope of FRE 408, ergo, there can no violation of that rule. On this basis alone, Fitumi's motion to strike must be denied.

## II. Opposer Introduced Fitumi's May 2014 Letter for the Limited Purpose of Establishing Facts Relevant to its Claim for Lack of Bona Fide Intent

Even assuming, *arguendo*, that Fitumi's letter refusing to comply with any of the demands set forth in Opposer's letter could be credibly construed as an offer to settle or compromise a claim, Fitumi's motion would still fail.

Fitumi's claim that FRE 408 imposes an "absolute" bar on the introduction of settlement communications (Mot. at 2), is an incorrect statement of the law. By its express terms, FRE 408 forbids the use of such communications **only** where they are introduced for the purpose of proving or disproving "the validity or amount" of a disputed claim. See Fed. R. Evid. 408. It is thus well-settled that "Fed. R. Evid. 408[] permits such evidence to be received '*for a purpose other than* to prove or disprove the validity of the claims that the [offer was] meant to settle.'" Carvajal v. Mihalek, 453 F. App'x 69, 73 (2d Cir. 2011) (emphasis added). Accord In re MSTG, Inc., 675 F.3d 1337, 1345 (Fed. Cir. 2012) ("Rule 408 itself contemplates a host of scenarios under which documents related to settlement negotiations would be admissible for purposes other than 'prov[ing] or disprov[ing] the validity or amount of a disputed claim or [] impeach[ing] by a prior inconsistent statement or a contradiction'"); Cent. Mfg. Co. v. Outdoor Innovations, L.L.C., Opp. No. 110,966, 2003 TTAB LEXIS 189, at *3-5 (T.T.A.B. Apr. 17, 2003) (settlement communications were admissible where they were introduced by party for purpose other than establishing liability, namely, "for the limited purpose of supporting applicant's argument that opposer's actions, including the filing of a summary judgment motion, are part of an effort to 'obstruct prosecution' [of applicant's trademark application]").

Here, Opposer cited to Fitumi's May 2014 letter for limited factual purposes unrelated to any claim for likelihood of confusion that was the subject of the correspondence. Specifically, Opposer introduced this material solely to demonstrate the following facts: (1) that Fitumi and

Janoskians are closely affiliated companies wherein Fitumi responded on behalf of Janoskians in replying to Opposer's demand letter concerning the DIRTY PIG Application and admitted that Fitumi is "the company responsible for sales and distribution of the Brand Dirty Pig"; and (2) the uncanny timing and factually interrelated nature of the DIRTY PIG Application and the RAUNCHY PIG Application, wherein the latter was filed the day after Fitumi sent the May 13, 2014 letter responding to Opposer's demand letter regarding the DIRTY PIG Application.

It is without question that these facts are directly relevant to Opposer's claim that Fitumi filed the RAUNCHY PIG Application merely to gain leverage against Opposer in the parties' pre-existing dispute concerning the DIRTY PIG Application and that Fitumi otherwise lacked a bona fide intent to use the applied-for mark in commerce at the time it filed the application. *See* Not. Opp. ¶¶ 12-17. Since the material subject to the motion to strike has a clear bearing on the issues involved in this proceeding, this alone is sufficient grounds to deny Fitumi's motion to strike. See, e.g., Guardian Royalty, 2000 TTAB LEXIS 855, at *8 (Board should deny motion to strike "unless [the material] clearly has no bearing upon the issues in the case").

Moreover, under well-settled jurisprudence, Opposer's use of the material for this limited purpose is entirely permissible under FRE 408. As the Eighth Circuit has stated, "Rule 408 excludes evidence of settlement offers only if such evidence is offered to prove liability for or invalidity of the claim under negotiation. To the extent that the evidence is offered for another purpose, and to the extent that either party makes an independent admission of fact, the evidence is admissible." Vulcan Hart Corp. v. NLRB, 718 F.2d 269, 277 (8th Cir. 1983). Thus, because this material was introduced for permissible factual purposes unrelated to any claim for likelihood of confusion, there was henceforth no violation of FRE 408.

## III. The Proceeding Should Not Be Suspended Pending Disposition of the Instant Motion

Finally, as a procedural matter, there is absolutely no basis for Fitumi's request for a stay of proceedings pending disposition of the instant motion.

The only authority cited by Fitumi in support of its request for a stay is TMBP § 528.03. However, that provision, which cites to 37 C.F.R. § 2.127(d), provides for suspension of a proceeding only upon the filing a motion "that is potentially dispositive of a proceeding," such as a motion for summary judgment or a motion for judgment on the pleadings. Because the instant motion, even if granted, would only strike a portion of the Notice of Opposition and would not be dispositive of the instant proceeding, this provision is wholly irrelevant.

Accordingly, the Board should deny Fitumi's request that the proceeding be stayed pending disposition of the instant motion.

## CONCLUSION

For the foregoing reasons, Applicant's motion to strike should be denied in its entirety. Further, Applicant should be held in default for its failure to timely file an Answer in this proceeding, or, alternatively, should be ordered to file an Answer forthwith.

Dated: New York, New York
March 13, 2015

Respectfully submitted,

COWAN, LIEBOWITZ & LATMAN, P.C.
Attorneys for Opposer

By: /Scott P. Ceresia/
Joel Karni Schmidt
Eric J. Shimanoff
Scott P. Ceresia
1133 Avenue of the Americas
New York, NY 10036-6799
(212) 790-9200

## CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of the foregoing OPPOSER'S MEMORANDUM OF LAW IN OPPOSITION TO APPLICANT'S MOTION TO STRIKE PURSUANT TO FRE 408 to be sent via first class, postage paid mail to Applicant Fitumi, LLC, 2133 East 38th Street, Vernon, California 90058-1616, and to Applicant's attorney, Stephen L. Baker, Esq., Baker and Rannells, P.A., 575 Route 28, Raritan, New Jersey 08869-1354.

Dated: New York, New York
March 13, 2015

/Scott P. Ceresia/
Scott P. Ceresia